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**HOME**

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**ON CIVVY STREET**



# **A** *Home on Civvy Street*

ALL WILL AGREE that next to the need for a suitable job, a man's greatest need is for a decent home. So there's no doubt that one of the questions that's been on your mind a lot is: What can a veteran expect to find in the way of a place to live? What sort of situation will he find when he gets back to Civvy Street when it comes to the problem of getting a roof over his head? This booklet tries to answer that question.

## ***Present Situation***

There's no use hiding one fact—the situation as it exists today is by no means satisfactory. Even before the war there was a housing shortage, for there had not been enough building during the depressed thirties. The war has caused a great migration to industrial centres and to military, naval and air force centres. Although a relatively high level of house building was maintained during war years, we could not keep pace with the increased demand because of shortages of essential labour and materials needed for war purposes. The problem has now reached major proportions. In fact, it has been



necessary in a few of Canada's larger cities to introduce Emergency Shelter regulations. Many other cities are only slightly less crowded.

## ***The Future***

So much for the past and present; but what of the future? Now that the fighting in Europe is over, labor and building materials will become available in much larger quantities. Controls are already being lifted on essential household equipment, taxes on building materials have been removed, and home construction is being encouraged. Intensive efforts are being made to secure workers for the production of materials necessary for house building and for construction itself. The problem cannot be solved at once—even though there is a tremendous increase in building, it will take 5 to 10 years to meet fully the shortage that now exists—but at least a start is being made and the situation will steadily improve.

## ***The Veteran's Position***

That's the general picture. As far as the ex-service man or woman is concerned there are several important factors to be taken into account.



# A Home in Town I

First let's say you want to build or buy a home anywhere in Canada. You can use your Re-establishment Credit to help meet the down payment on a house—to be exact you can use it for up to two-thirds of that down payment. Not only that; if you build a house and finance it under the National Housing Act, the terms are much more reasonable than they were in pre-war days.

## ***Building a Home Under N.H.A.***

Under the National Housing Act the government co-operates with private lending institutions—insurance companies, trust companies, etc.—to enable you to borrow a very large percentage of the money required to build a house. You will have twenty years to pay this back (up to 30 years if you build in a locality where there is adequate town planning) and the interest rate is only  $4\frac{1}{2}\%$ . These low rates are possible because the government puts up part of the loan at only 3%, and also guarantees the lending institution against certain losses. If



you want to get the benefit of this plan you must show that the plans for your home are sound, that you have the down payment and that you have a reasonable chance of meeting your payments and paying off the debt.

What does this all mean in terms of dollars and cents—what's it all going to cost?

The N.H.A. loan is computed on the basis of the amount which the lending authority could expect to realize on the house if you failed to meet your payments and he had to sell it. To determine this amount, which is called the Lending Value, the lending authority will appraise the value of the house on the basis of complete plans and specifications. The maximum loan is 95% of the first \$2,000 of Lending Value, 85% of the next \$2,000 of Lending Value, and 70% of any amount above \$4,000.

Thus on any house your down payment is made up of two parts:

- (1) an amount computed as follows

5% of the first \$2,000 of Lending Value	\$100
15% of the next \$2,000 of Lending Value	\$300
plus 30% of anything over \$4,000	

- (2) The difference between the Lending Value of the house and its cost. In pre-war days Lending Value was normally about equal to cost, and though in some cases this is still true, there are also many cases where cost is greater than Lending Value. Just how large this difference will be depends upon the type of house you build, the location in which you build and the efficiency of your builder. Generally speaking the more expensive the house, the greater this difference becomes. On a \$4,000 house with a good builder in a good locality, the difference between cost and Lending Value should not be very great. The total down payment for a house with a Lending Value of \$4,000 would be \$400 plus any excess cost of construction. If your Re-establishment Credit is big enough you can use it for two-thirds of this; one-third will have to be met out of your own cash—Victory Bonds, War Service Gratuity, or what have you. Your monthly payment for interest and principal would be \$22.70 plus 1/12 of annual Municipal taxes and fire insurance. After 20 years the house is yours—debt-free.

## ***Using your Re-establishment Credit***

Many veterans will want to buy a house already built. Well, whether you buy a house already built *or* build one of your own, you can use your Re-establishment Credit to meet up to two-thirds of the down payment. BUT, before you make any commitments, you must first see or write to the District Supervisor of Re-establishment Credit and get his approval. When he has approved the use to which you wish to put the Credit you make your part of the down payment. For this you will get a receipt. Send the receipt along with a formal application for your Re-establishment Credit to the Supervisor. The appropriate amount will then be paid by the Department of Veterans Affairs to the seller or builder and you will receive a receipt from them for this amount. It's just that simple.



## **A Semi-rural Home 2**

While the veteran gets some assistance when buying or building a city home, he can receive assistance of a different type and on a generous scale under the Veterans Land Act towards obtaining a rural or semi-rural home on a small plot of land if he is properly qualified. This type of set-up—known as a small holding—is designed to enable the veteran to own a home in healthy surroundings, at low cost, and give him the opportunity of supplementing his income by the raising of vegetables or fruits, etc., in his spare time.

- To qualify for the benefits of the Veterans Land Act, a person must
  - (a) have served in the Canadian armed forces in the present war (or in any of His Majesty's forces if he was domiciled or resident in Canada when he enlisted); and

- (b) (i) have served in a theatre of actual war, or
- (ii) have served for at least twelve months, or
- (iii) have a war disability pension; and
- (c) have been honourably discharged.

Also any British subject resident or domiciled in Canada at the beginning of the war who is receiving a pension for a disability incurred while serving upon a ship during the present war is eligible.

Of course, there are disadvantages to this type of set-up—it won't suit everyone. For one thing, it may mean that you're quite some distance from the centre of town—there may not be a next door neighbour from whom your wife can borrow eggs if she runs out of them in the middle of her baking—and there may not be any corner store which you can phone for the cigarettes you forgot to get on the way home. And while many people enjoy puttering around in a garden, it's a different matter to look after a large vegetable garden as many wartime Victory Gardeners have found to their sorrow.

And another thing, and this is of great importance—you must have a permanent job or a steady source of income. There'd be no use tying yourself up with a place like this if there were any chance of your moving to another city to take a better job, or if your employer would be likely to transfer you to some other city, or if your income were so irregular that you'd have trouble meeting your monthly payments.

Now let's get down to brass tacks and consider the cost in a few cases. For a \$3,000 place—and outside the city you can sometimes get a fairly decent place for that—you make a down payment of only \$300, and your monthly payment for principal and interest would be \$9.96 over 25 years. A \$4,800 place would call for a down payment of \$480 and monthly payments of \$15.94; and a \$6,000 place would take a down payment of \$600 and a monthly payment of \$19.92. In addition there would be municipal taxes—normally less than \$5 a month—fire insurance and up-keep. If you want a place costing more than \$6,000, you've got to pay the excess in cash. On the other hand, if the place you want costs less than \$6,000, you may be supplied with limited amounts of essential equipment and this equipment along with approximately one-quarter of the cost of land and buildings becomes a gift if you keep up your monthly payments on the place for ten years. As a financial proposition it's a pretty good one.



In order to qualify for this type of place, you must submit to the Regional office of the Veterans' Land Act (you can get the address from any local office of the Department of Veterans Affairs) copy of discharge certificate, reasonable evidence of good character, financial responsibility and general competence and you must have your down payment ready. Construction of a fairly large number of homes of this type is now going forward and plans are being made for many more; but the demand is so great, and building materials and labour are still so scarce, that you may not be able to get a home of this type as soon as you'd like. However, your rights under the Act will always be good, as long as you don't use your Re-establishment Credit.

If you think that you'd be interested in this sort of a home, get hold of the little blue booklet, "The Veterans' Land Act Handbook" from your personnel counsellor—it's got all the details; and be sure to ask about it when your turn comes up for discharge.



## Renting a House 3

Many of you will find it neither possible nor desirable to own your own home. It may be that a snug little apartment or flat suits you better; or you may prefer not to be tied down to one place, so that you are free to move to an area where wages are higher or employment conditions are better. Also, you will find many people who will tell you that the disadvantages of owning your own home are just about as great as the advantages. Whatever the reason, you may want to rent; and the question is, what aid can you get, if any, in getting a place to rent?



## ***Furniture***

Most of the places that you will find for rent these days are unfurnished. That means that you'll need to get some furniture. This is one of the purposes for which you can use your Re-establishment Credit. You'll still have to put up some cash, but you can use your Credit to an amount not exceeding two-thirds of the cost of the furniture. Be sure to get the approval of the District Supervisor of Re-establishment Credit before making any commitments.

## ***Wartime Housing Limited***

Furniture is O.K. if you have a place to put it in, but finding a place to rent—furnished or unfurnished—is no cinch these days. The returning Serviceman who wants to rent a place for himself and his family faces a real problem if he tries to settle in one of Canada's crowded cities. This fact has been recognized and something is being done about it. Hundreds of homes are now being built in the more crowded centres across Canada by Wartime Housing Limited (a Government owned Company) which will be for rent to veterans or to the families of those still in the Services. Some of these are already occupied or will be ready for occupancy very shortly, and it is expected that until rental housing becomes more abundant, this program or other comparable measures will be continued on an emergency basis.

## ***Emergency Shelter Areas***

The following communities are Emergency Shelter Areas: Ottawa, Hull, Vancouver—New Westminster, Victoria, Hamilton, Toronto, Winnipeg. If you only want a room or room and board in one of these cities, you don't have to worry. But if you want a place with kitchen privileges or anything better than that, you have to get a permit from the Emergency Shelter Administrator.

Veterans who have seen service outside Canada for at least a year will receive a permit on application. They can establish living quarters for themselves and their families wherever they are available.

A veteran with service in Canada only, who wishes to obtain a permit to occupy "family quarters" in one of these cities, must prove that either

- (i) he is returning to the place where he or his wife resided before the war, or

- (ii) he is returning to a job or position with his pre-war employer either in the same or another office of that employer, or
- (iii) he has an essential job in the Area, or
- (iv) he is taking a course, lasting six months or more, under the rehabilitation training program.

## ***Community Plans***

In view of the housing shortage, many communities throughout Canada have established schemes whereby veterans are given preference in obtaining homes. Often this is done through the Volunteer Citizen's Committee and if you have trouble finding a place when you get back on Civvy Street, they will do their best to help you.

## ***Conclusion***

In this booklet we have tried to be realistic about a serious problem. The situation could be a lot better—it could also be a lot worse. During the war Canada's main efforts have been expended in providing the sinews of war. Only now can we even begin to turn to the needs of peace. And results can't appear overnight, even with the best will in the world. It takes vast quantities of materials and equipment and lots of labour to build houses. The Government knows this and is right behind the veteran in getting the job done. Its immediate objective is a minimum of 50,000 houses in the year following VE Day and many thousands more than 50,000 in succeeding years when the Japs are defeated and materials and labour shortages disappear. Canada has never before contemplated such a big housing program.

When you get back to Civvy Street you'll be faced with many problems—one of the most important of these will undoubtedly be finding a place to live. You'll want to know what assistance will be available to you in solving this problem, both now and in the years to come. You'll also want to know why there is a problem and what is being done about it.



## ***If You Want Further Information About***

### ***Veterans' Land Act***

Visit or Write Regional Supervisor, Veterans' Land Act, at

Charlottetown	London	Lethbridge
Truro	Mount Forest	Calgary
Kentville	Windsor	Red Deer
Moncton	New Liskeard	Edmonton
Fredericton	Sault Ste. Marie	St. Paul
Quebec	Winnipeg	Grande Prairie
Sherbrooke	Brandon	Peace River
Montreal	Dauphin	Nelson
Smiths Falls	Yorkton	Kelowna
Campbellford	Regina	Kamloops
Toronto	Saskatoon	New Westminster
Dundas	Prince Albert	Victoria

### ***National Housing Act***

Visit or Write Branch Office of N. H. A. at

Montreal	Kingston	Victoria
Toronto	Winnipeg	Moncton
Hamilton	Edmonton	Quebec
Brantford	Vancouver	Ottawa
London		





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